

Message Text

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TO SECSTATE WASHDC PRIORITY 2348

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TAGS: OGEN, PL

SUBJECT: SFCP - FIRST MEETING OF JOINT BOARD

REF WARSAW 7019

FOLLOWING ARE TEXTS OF PAPERS ON PRINCIPLES OF ACCOUNTING AND UNIFIED GRANT DOCUMENT WHICH POLISH SIDE PLANS PRESENT AT FIRST MEETING OF JOINT BOARD. IN INTEREST OF TIME, TEXTS ARE TRANSMITTED VERBATIM IN ENGLISH VERSION AS RECEIVED FROM MFA. EMBASSY HOPES OBTAIN CLARIFICATION ON NUMBER OF ITEMS IN TEXT FROM CHOWANIEC NOVEMBER 28.

BEGIN TEXT: GENERAL TERMS OF FINANCING RESEARCH PROJECTS FROM THE MARIE SKLODOWSKA-CURIE FUND (HEREINAFTER CALLED THE JOINT FUND).

1. A RULE IS BEING ADOPTED THAT RESOURCES FROM THE JOINT FUND CAN BE USED TO FINANCE RESEARCH PROJECTS FOR WHICH AGREEMENTS (CONTRACTS) HAVE BEEN SIGNED BY THE APPROPRIATE POLISH AND US INSTITUTIONS.

2. INSTITUTIONS AUTHORIZED TO CONCLUDE AGREEMENTS FOR RESEARCH PROJECTS ARE:

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(A) IN POLAND: AN OFFICE, INSTITUTION, RESEARCH INSTITUTE OR INSTITUTION OF HIGHER EDUCATION, WHICH WILL COORDINATE THE OVERALL TREATMENT OF THE THEME SPECIFIED IN THE AGREEMENT (CONTRACT);

(B) IN THE USA: THE APPROPRIATE GOVERNMENT AGENCY PARTICIPATING IN THE PROGRAM OF SCIENTIFIC AND TECHNOLOGICAL COOPERATION WITH POLAND, WHICH HAS DEPOSITED OR WILL DEPOSIT THE NECESSARY RESOURCES INTO THE JOINT FUND.

3. THE PARTIES REFERRED TO IN PARA 2, OR THE UNITS ACTING ON THEIR BEHALF SHOULD, BEFORE NEGOTIATING SPECIFIC TERMS OF THE AGREEMENT (CONTRACT), OBTAIN THE APPROVAL OF THEIR SUPERIOR UNITS FOR INCLUDING A SPECIFIED TOPIC IN THE SCIENTIFIC AND TECHNOLOGICAL COOPERATION FINANCED FROM THE JOINT FUND UNDER THE REGULATIONS EXISTING IN EACH COUNTRY.

4. TAKING INTO CONSIDERATION THAT THE JOINT FUND IS MADE UP OF EQUAL CONTRIBUTIONS DEPOSITED BY BOTH GOVERNMENTS IN A COMMON ACCOUNT IN THE NATIONAL BANK OF POLAND, IT IS ASSUMED THAT THE INSTITUTIONS OF BOTH PARTIES, REFERRED TO IN PARA 2, ARE AUTHORIZED AS EQUAL PARTNERS TO SUGGEST COOPERATION PROJECTS.

5. THE DRAFT OUTLINE OF SUGGESTED RESEARCH PROJECT FOR COOPERATION, WHICH IS TO BE THE SUBJECT OF NEGOTIATION, SHOULD CONTAIN THE FOLLOWING BASIC INFORMATION:

(A) A BRIEF DESCRIPTION OF THE PROJECT (ITS AIM) WHICH WILL ENABLE A SPECIALIST OF THE OTHER SIDE TO ASSESS ITS SCIENTIFIC AND/OR UTILITARIAN VALUE;

(B) THE NAME OF THE RESEARCH UNIT, WHICH WILL CONDUCT THE PROPOSED PROJECT IN POLAND AND OF THE CHIEF EXECUTOR (HEAD OR TEAM);

(C) A ROUGH ESTIMATE OF COSTS AND THE PERIOD INVOLVED-- FROM BEGINNING TO COMPLETION OF THE PROJECT.

THE DRAFT OUTLINE OF RESEARCH PROJECT, PREPARED ACCORDING
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TO THIS PROCEDURE AND ALONG THESE LINES AND PROVISIONALLY AGREED BY THE INSTITUTIONS CONCERNED OF BOTH COUNTRIES, WILL FORM THE BASIS FOR DRAWING UP AND CONCLUDING A DETAILED AGREEMENT (CONTRACT) ON SCIENTIFIC AND TECHNOLOGICAL COOPERATION IN THAT PROJECT.

6. THE DETAILED AGREEMENT (CONTRACT) FOR A SPECIFIC PROJECT SHOULD CONTAIN THE FOLLOWING DATA:

(A) THE TITLE OF THE PROJECT WITH SPECIFICATION OF ITS
MAIN TASKS (STAGES);

(B) SPECIFICATION OF BASIC AIMS WHICH ARE GOING TO BE
ACHIEVED BY THE PROJECT, AS EXPRESSED IN SCIENTIFIC OR
TECHNICAL VALUES (PARAMETERS);

(C) THE FORM OF COMPLETING THE PROJECT, E.G., A SCIENTIFIC
PUBLICATION, TECHNICAL DOCUMENTATION, PROTOTYPE OF NEW
PRODUCT OR EXPERIMENTAL LINE OF A NEW TECHNOLOGY;

(D) THE NAME AND ADDRESS OF THE UNIT IN POLAND RESPONSIBLE
FOR THE PROJECT AND THE ACADEMIC STATUS OF THE CHIEF
EXECUTOR (HEAD OF TEAM), AS WELL AS THE NAME OF THE AMERICAN
COOPERATING INSTITUTION;

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(E) A TIMETABLE, BY YEARS, FOR EACH STAGE;

(F) AN ESTIMATE OF COSTS CALCULATED ACCORDING TO UNIFIED
METHODS OF COST ACCOUNTING A APPROVED BY THE JOINT BOARD
OF THE FUND;

(B) THE FORM OF COST ACCOUNTING, ASSUMING THE PRINCIPLE
THAT THE UNIT EXECUTING THE PROJECT IS GOING TO BE REIMBURSED

EITHER PERIODICALLY OR UPON COMPLETING A GIVEN STAGE AS SPECIFIED IN THE AGREEMENT.

7. THE AGREEMENT SIGNED BY THE PROPER COORDINATING POLISH INSTITUTION AND BY US AGENCY WILL BE FORWARDED TO THE EXECUTOR UNIT AS SPECIFIED IN THE AGREEMENT, AS WELL AS TO THE TREASURER OF THE JOINT FUND.

8. FOLLOWING THE CONCLUSION OF THE AGREEMENT THE COORDINATING UNIT RECEIVED MONEY FROM THE JOINT FUND, IN AN AMOUNT SPECIFIED IN THE ENCLOSED CALCULATION FOR A GIVEN FISCAL YEAR AND ON TERMS HITHERTO PRACTICED IN PROJECTS FINANCED FROM PL 480 FUNDS.

9. IN THE NEGOTIATION AND IMPLEMENTATION OF AGREEMENTS (CONTRACTS) FOR SPECIFIED RESEARCH PROJECTS THE FOLLOWING UNCLASSIFIED

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PRINCIPLES WILL BE FOLLOWED:

9.1. THE ACTUAL COSTS OF A PROJECT MAY IN PRACTICE BE UP TO 10 PERCENT HIGHER THAN ANTICIPATED IN THE ESTIMATES WITHOUT THE NECESSITY TO SECURE THE APPROVAL OF THE OTHER PARTY FOR THIS HIGHER AMOUNT.

9.2. ALONG THE SAME LINES THERE SHALL BE A POSSIBILITY OF MAKING CERTAIN ADJUSTMENTS AS BETWEEN THE DIFFERENT COST ITEMS IN THE ESTIMATES, AS WELL AS BETWEEN DIFFERENT STAGES OF IMPLEMENTATION.

9.3. THE PARTIES WILL RECOGNIZE ANY GROWTH IN THE ESTIMATED COSTS WHICH RESULT FROM OFFICIAL CHANGES IN POLAND IN SALARY SCALES OR CHANGES IN THE PRICES OF COMMODITIES, ENERGY, ETC.

IN THESE CASES IT WILL, HOWEVER, BE NECESSARY TO SUBMIT PROPER JUSTIFICATION AND TO ACCOUNT FOR THE CHANGES IN WRITING.

9.4. IN CASES WHEN THE PARTIES CONCLUDE UNANIMOUSLY IN THE COURSE OF THE IMPLEMENTATION OF THE PROJECT THAT THE EXPECTED RESULTS, ARE NOT LIKELY TO ACHIEVE THE TARGET AIM SPECIFIED IN THE AGREEMENT, OR WHEN THESE PURPOSES HAVE CEASED TO POSSESS SCIENTIFIC OR TECHNOLOGICAL VALUE--ON ACCOUNT, FOR INSTANCE, OF MORE MODERN DEVELOPMENTS IN OTHER COUNTRIES-- THE AGREEMENT MAY BE TERMINATED OR ALTERED IN SCOPE. IN SUCH CASES AN APPROPRIATE AGREEMENT SHOULD BE MADE IN WRITING BY THE PARTIES ASSUMING THE PRINCIPLE THAT THE COSTS INCURRED IN THE PROJECT UP TO TERMINATION OR AMENDMENT SHOULD BE MET IN FULL BY THE JOINT FUND.

9.5. THE AGREED COSTS OF PURCHASE, ASSEMBLY OR CONSTRUCTION OF APPARATUS AND EQUIPMENT NECESSARY TO THE SPECIFIED PROJECT WILL BE COVERED FROM THE FUND. REGARDLESS OF THIS, THE APPROPRIATE US AGENCIES WILL LOAN POLISH RESEARCH INSTITUTIONS ENGAGED IN THE PROJECTS UNIQUE APPARATUS OR EQUIPMENT NOT AVAILABLE ON THE POLISH MARKET.

9.6. PUBLICATIONS AND OTHER MATERIALS ARISING OUT OF JOINT UNCLASSIFIED

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RESEARCH WILL BE MUTUALLY EXCHANGED PROVIDED THAT THE EXCHANGE OF SUCH FINDINGS WHICH MAY BE SUBJECT TO COPYRIGHT OR PATENT PROTECTION WILL BE GOVERNED BY REGULATIONS EXISTING IN POLAND.

9.7. AFTER THE COMPLETION OF A PROJECT AND THE ACHIEVEMENT OF THE PURPOSE SPECIFIED IN THE AGREEMENT, THE EXECUTOR UNIT WILL, WITHIN A PERIOD OF NO MORE THAN THREE MONTHS, SUBMIT TO ITS SUPERIORS IN POLAND AND THE RELEVANT AGENCY IN THE USA A REPORT ON THE RESULTS OF THE PROJECTS AND A FINAL ACCOUNTING OF COSTS. FOLLOWING THE APPROVAL OF THE REPORT BY THESE INSTITUTIONS ANY UNUSED SUMS SPECIFIED IN THE ESTIMATES WILL BE TURNED OVER TO THE JOINT BOARD.

9.8. ON THE BASIS OF THE REPORT REFERRED TO IN 9.7. THE COORDINATING UNIT IN POLAND WILL SUBMIT A SUMMARY REPORT TO THE TREASURER OF THE JOINT BOARD.

9.9. BOTH PARTIES ARE AUTHORIZED TO CARRY OUT PERIODIC EXAMINATIONS OF THE PROGRESS OF A PROJECT, PROVIDED THAT POLISH LEGISLATION IN THIS RESPECT WILL BE OBSERVED.

9.10. THE MATERIALS AND FIXED ASSETS (APPARATUS, IF FIXED ASSETS) NOT ENTIRELY USED IN THE COURSE OF THE PROJECT AND PAID FOR FROM THE JOINT FUND WILL REMAIN THE PROPERTY OF THE RESEARCH UNIT WHICH HAS EXECUTED IT.

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9.11. ALL PUBLICATIONS AND COPIES RESULTING FROM JOINT RESEARCH, CONDUCTED WITHIN THE FRAMEWORK OF POLISH-AMERICAN COOPERATION, WILL CONTAIN A STATEMENT TO THE EFFECT, THAT THE RESEARCH HAS BEEN FINANCED FROM THE MARIE SKLODOWSKA-CURIE FUND. END TEXT.

BEGIN TEXT: SKELETON SCHEME OF COST CALCULATION OF RESEARCH PROJECTS UNDERTAKEN WITHIN THE FRAMEWORK OF POLISH-AMERICAN SCIENTIFIC COOPERATION FINANCED FROM THE JOINT MARIE SKLODOWSKA-CURIE FUND AND CERTAIN PRINCIPLES OF COST ACCOUNTING FOR THOSE PROJECTS.

A. SKELETON SCHEME FOR COST CALCULATION

I. DIRECT COSTS

1.A) DIRECT REMUNERATION OF STAFF EMPLOYED FULL TIME IN INSTITUTION RUNNING RESEARCH PROJECT, TOTAL

--CHIEF EXECUTOR

--SPECIALISTS NUMBERING X PERSONS

--TECHNICAL PERSONNEL NUMBERING X PERSONS

--OTHER AUXILIARY PERSONNEL NUMBERING X PERSONS

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B) REMUNERATION OF PERSONS ADDITIONALLY ENGAGED FOR SPECIFIED JOBS

2. SUPPLEMENT FOR PUBLIC CONSUMPTION

3. TRAVEL COSTS

(1) IN POLAND

(2) FOREIGN

4. EQUIPMENT AND MATERIALS

(1) PURCHASE OF APPARATUS AND SPECIAL EQUIPMENT

(2) USE OF MATERIALS

5. OUTSIDE SERVICES

6. OTHER DIRECT COSTS

II. OVERHEAD COSTS

TOTAL COSTS

B. EXPLANATIONS

I. THE SKELETON SCHEME OF COST CALCULATION TAKES ACCOUNT OF THE PRINCIPLES OF COSTING RESEARCH PROJECTS IN POLAND PROVIDED THAT TO THE TOTAL COST OF RESEARCH PROJECTS, BOTH BUDGETED AND ACCOUNTED FOR, NO PROFIT MARGIN IS ADDED.

II. A PRINCIPLE HAS BEEN ADOPTED THAT THE SAME SCHEME WILL BE USED BOTH FOR PRELIMINARY ESTIMATES AS WELL AS FOR REPORTING AND ACCOUNTING OF COSTS WITH THE FUND. IT IS ASSUMED THAT COST CALCULATION WILL BE MADE SEPARATELY FOR EACH RESEARCH PROJECT.

III. IN CASE A PROJECT IS EXTENDED OVER A LONGER PERIOD OF TIME, THE PLANNED COSTS ARE BEING DIVIDED INTO CALENDAR PERIODS.

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IV. THE FOLLOWING PRINCIPLES WILL BE FOLLOWED IN COMPRISING COSTS UNDER EACH HEADING OF THE CALCULATION SCHEME:

1. DIRECT REMUNERATION (ITEM I.1A) IS ARRIVED AT BY MULTIPLYING THE MAN-MONTHS USED (PLANNED) BY EACH PERSON OR GROUP OF PERSONS ENGAGED DIRECTLY IN THE RESEARCH PROJECT AND THEIR REMUNERATION (EMOLUMENTS) BASED ON CURRENT SALARY RATES. REMUNERATION INCLUDES GROSS SALARY PLUS SOCIAL INSURANCE AND OTHER SALARY-RELATED BENEFITS.

IN THE EVENT OF USING NET REMUNERATION (EARNINGS AFTER TAX), DIRECT REMUNERATION WILL INCLUDE THE TAX RATE CHARGED ON SALARIES AS LAID DOWN FOR THE INSTITUTION CARRYING RESEARCH

PROJECT, ACCORDING WITH THE STATUTORY REGULATIONS IN POLAND.

2. REMUNERATION OF PERSONS ADDITIONALLY ENGAGED (ITEM I.1B) IS UNDERSTOOD AS THE REMUNERATION OF PERSONS PERFORMING SPECIFIED JOBS ON A COMMISSION BASIS. UNDER THIS HEADING COME EMOLUMENTS PAID BOTH TO PERSONS ENGAGED FROM OUTSIDE THE UNIT UNDERTAKING THE PROJECT AND TO ITS EMPLOYEES (INCLUDING MEMBERS OF THE PROJECT GROUP) IF THE PROJECT REQUIRES THEM TO BE EMPLOYED OVER AND ABOVE THEIR NORMAL HOURS OF WORK. SUCH REMUNERATION IS CALCULATED ACCORDING TO HOURS OF WORK AND THE RATES PER HOUR. THIS ITEM INCLUDES ALSO FEES PAYABLE ON THE BASIS OF A SEPARATE AGREEMENT TO A PERSON, WHO PERFORMED A SPECIFIED TASK ESSENTIAL TO THE RESEARCH PROJECT; IN EACH CASE THE REGULATIONS DETERMINING THE RATES OF PAYMENT MUST BE CITED.

3. THE SUPPLEMENT FOR PUBLIC CONSUMPTION (ITEM I.2.) IS CALCULATED AT A RATE OF 30 PERCENT OF REMUNERATION DEFINED IN ITEM I.1.

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4. DOMESTIC TRAVEL COSTS (ITEM I.3.1) COVERS THE COSTS OF TRAVEL, ACCOMMODATION AND PER DIEM EXPENSES (ACCORDING TO THE RATES IN FORCE) INCURRED BY MEMBERS OF THE RESEARCH GROUP IN CONNECTION WITH THE PROJECT AND OTHER PERSONS (E.G., DRIVERS) MAKING JOURNEYS DIRECTLY CONNECTED WITH IT.

5. FOREIGN TRAVEL COSTS (ITEM I.3.2) ARE CALCULATED AND ACCOUNTED FOR AT A RATE SPECIFIED IN THE CONTRACT: THEY ARE ACCOUNTED ACCORDING TO THE REGULATIONS EXISTING IN POLAND. THEY ARE EXCLUDED FROM CALCULATION IF, IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE VI OF THE AGREEMENT BETWEEN THE POLISH AND US GOVERNMENTS ON THE ESTABLISHMENT OF THE JOINT FUND, THEY ARE SETTLED SEPARATELY.

6. UNDER THE HEADING APPARATUS AND SPECIAL EQUIPMENT (ITEM I.4.1) IS INCLUDED THE PURCHASE OF THINGS WHICH ARE ESSENTIAL TO THE PERFORMANCE OF THE PROJECT WORK BUT DO NOT CONSTITUTE PART OF ITS STANDARD EQUIPMENT; A LIST OF THESE ITEMS AND THEIR PURCHASE VALUE MUST BE INCLUDED TO THE COST CALCULATION.

7. USE OF MATERIALS (ITEM I.4.2) SPECIFIES THE VALUE OF MATERIALS AND THINGS, WHICH ARE DIRECTLY USED IN A GIVEN PROJECT AND WHICH CAN BE COUNTED IN DIRECT COSTS. THEY ARE UNCLASSIFIED

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CALCULATED ON THE BASIS OF ITEMIZING THE QUANTITY AND UNIT COST (ACCORDING TO PRICE LISTS).

8. OUTSIDE SERVICES (ITEM I.5) COVERS THOSE COSTS OF WORK PERFORMED BY OTHER ORGANIZATIONAL UNITS ON THE COMMISSION OF THE UNIT RESPONSIBLE FOR THE PROJECT, WHICH ARE DIRECTLY CONNECTED WITH IT.

9. OTHER DIRECT COSTS (ITEM UVBGF RTVERS ALL COSTS NOHL SPECIFIED UNDER THE PRECEDING HEADINGS, IF THEY ARE DIRECTLY CONNECTED WITH THE EXECUTION OF THE RESEARCH PROJECT (E.G., SPECIAL TRANSPORTATION COSTS, RENTAL OR LEASE OF SPECIAL PREMISES, ETC.).

10. OVERHEAD COSTS (ITEM II) ARE DEFINED AS THE PERCENTAGE MARK-UPS ON THE DIRECT REMUNERATION PROVIDED IN THE LIST SPECIFIED IN

"8.1. THIS MARK-UP MUST NOT BE HIGHER THAN THE RATE LAID DOWN BY THE SUPERIOR UNIT AND MUST BE CONSISTENT WITH THE REGULATIONS EXISTING IN POLAND. THE MARK-UP RATE FOR OVERHEADS EMBRACES A CERTAIN PROPORTION OF REMUNERATION OF PERSONNEL EMPLOYED BY THE UNIT CONDUCTING THE PROJECT (EXECUTIVE, ADMINISTRATIVE AND SERVICE STAFF), NOT COVERED IN DIRECT REMUNERATION, A CERTAIN PROPORTION OF THE DEPRECIATION CHARGES ON FIXED PROPERTY, AS WELL AS OTHER COSTS INCURRED BY THE UNIT CARRYING THE PROJECT, WHICH CANNOT

BE CLASSIFIED UNDER DIRECT COSTS, SUCH AS COSTS OF UPKEEPING

PREMIYCS (HEATING, ELECTRICITY, LIGHT, WATER, GAS, RENT, TRANSPORT, REPARIS AND MAINTENANCE, ETC.).

C. CERTAIN PRINCIPLES OF COST ACCOUNTING

1. THE UNIT CAGRYING OUT A PROJECT BILLS IHF COSTS EITHER AFTER COMPLETUSG A STAGE SPECIFIED IN THE AGREEMENT OR PERIODICALLY AT 6-MONTH INTERVALS. IF SO STIPULATED IN THE AGREEMENT, AT THREE-MONTH INTERVALS. THE COST ACCOUNTING IS BEING MADE ACCORDING TO THE SAME SCHEME AS COST BUDGETING.

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2. IF THE ACTUAL COST OF THE PROJECT IN ANY GIVEN SETTLEMENT PERIOD WOULD BEIIIKELY TO EXCEED THE ESTIMATE FOR THIS PERIOD BY MORE THAN 10 PERCENT, THE UNIT CARRYING THE

PROJECT SHOULD SECURE APPROVAL FOR THIS EXCESS.

3. THE TOTAL PROJECTED COSTS (ENLARGED POSSIBLY BY NO MORE THAN 10 PERCENT) WILL CONSTITUTE THE CEILING FOR RE-IMBURSEMENT FROM THE FUND. SETTLEMENTS WILL ALWAYS BE MADE ACCORDING TO THE COSTS ACTUALLY INCURRED AND EVIDENCED BY THE CALCULATION.

4. IN THE EVENT OF COSTS BEING SETTLED PERIODICALLY, ANY EXCEEDING OF THE ESTIMATES FOR THE PERIOD IN QUESTION MAY TAKE PLACE ONLY IN CASES OF ADVANCEMENT OF SCHEDULES AND ON CONDITION THAT THE TOTAL ESTIMATES FOR THE PROJECT ARE NOT EXCEEDED.

5. IT WILL BE SPECIFIED IN THE CONTRACT WHAT DOCUMENTS, IF ANY, ARE TO BE APPENDED TO THE BILL FOR A GIVEN PERIOD BY THE UNIT CARRYING OUT THE PROJECT. THE CONTRACT MAY ALSO SPECIFY THAT SIMPLIFIED METHODS OF COST ACCOUNTING WILL BE USED FOR PARTICULAR PERIODS.

D. IT IS ASSUMED THAT COST CALCULATION WITH RESPECT TO OTHER FORMS OF COOPERATION FINANCED FROM THE JOINT FUND, SUCH AS CONFERENCES AND SYMPOSIA, EXCHANGE OF SCIENTISTS, EXCHANGE OF INFORMATION AND DOCUMENTATION, WILL BE MADE IN A MANNER AGREED SEPARATELY BY THE PARTIES ENTERING INTO SUCH ARRANGEMENTS. END TEXT.

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